

SEC. 533. CONVERSION OF PUBLIC HOUSING TO VOUCHERS; REPEAL OF FAMILY INVESTMENT CENTERS.

(a) In General.--Section 22 of the United States Housing Act of 1937 (42 U.S.C. 1437t) is amended to read as follows:

SEC. 22. AUTHORITY TO CONVERT PUBLIC HOUSING TO VOUCHERS.

(a) Authority.--A public housing agency may convert any public housing project (or portion thereof) owned by the public housing agency to tenant-based assistance, but only in accordance with the requirements of this section.

(b) Conversion Assessment.--

(1) In general.--To convert public housing under this section, a public housing agency shall conduct an assessment of the public housing that includes--

(A) a cost analysis that demonstrates whether or not the cost (both on a net present value basis and in terms of new budget authority requirements) of providing tenant-based assistance under section 8 for the same families in substantially similar dwellings over the same period of time is less expensive than continuing public housing assistance in the public housing project for the remaining useful life of the project;

(B) an analysis of the market value of the public housing project both before and after rehabilitation, and before and after conversion;

(C) an analysis of the rental market conditions with respect to the likely success of the use of tenant-based assistance under section 8 in that market for the specific

[[Page 112 STAT. 2577]]

residents of the public housing project, including an assessment of the availability of decent and safe dwellings renting at or below the payment standard established for tenant-based assistance under section 8 by the agency;

(D) the impact of the conversion to tenant-based assistance under this section on the neighborhood in which the public housing project is located; and

(E) a plan that identifies actions, if any, that the public housing agency would take with regard to converting any public housing project or projects (or portions thereof) of the public housing agency to tenant-based assistance.

(2) Timing.--Not <<NOTE: Deadline.>> later than 2 years after the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, each public housing agency shall conduct an assessment under paragraph (1) or (3) of the status of each public housing project owned by such agency and shall submit to the Secretary such assessment. A public housing agency may otherwise undertake an assessment under this subsection at any time and for any public housing project (or portion thereof) owned by the agency. A public housing agency may update a previously conducted assessment for a project (or

portion thereof) for purposes of compliance with the one-year limitation under subsection (c).

((3) Streamlined Assessment.--At the discretion of the Secretary or at the request of a public housing agency, the Secretary may waive any or all of the requirements of paragraph (1) or (3) or otherwise require a streamlined assessment with respect to any public housing project or class of public housing projects.

((c) Criteria for Implementation of Conversion Plan.--A public housing agency may convert a public housing project (or portion thereof) owned by the agency to tenant-based assistance only pursuant to a conversion assessment under subsection (b) that one year and that demonstrates that the conversion--

((1) will not be more expensive than continuing to operate the public housing project (or portion thereof) as public housing;

((2) will principally benefit the residents of the public housing project (or portion thereof) to be converted, the public housing agency, and the community; and

((3) will not adversely affect the availability of affordable housing in such community.

((d) Conversion Plan Requirement.--A public housing project may be converted under this section to tenant-based assistance only as provided in a conversion plan under this subsection, which has not been disapproved by the Secretary pursuant to subsection (e). Each conversion plan shall--

((1) be developed by the public housing agency, in consultation with the appropriate public officials, with significant participation by the residents of the project (or portion thereof) to be converted;

((2) be consistent with and part of the public housing agency plan;

((3) describe the conversion and future use or disposition of the project (or portion thereof) and include an impact analysis on the affected community;

((4) provide that the public housing agency shall--

[[Page 112 STAT. 2578]]

((A) <<NOTE: Notification.>> notify each family residing in a public housing project (or portion) to be converted under the plan 90 days prior to the displacement date except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that--

((i) the public housing project (or portion) will be removed from the inventory of the public housing agency; and

((ii) each family displaced by such action will be offered comparable housing--

((I) that meets housing quality standards;

((II) that is located in an area that is generally not less desirable than the location of the displaced

person's housing; and

- ``(III) which may include--
 - ``(aa) tenant-based assistance, except that the requirement under this clause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such family into such housing;
 - ``(bb) project-based assistance; or
 - ``(cc) occupancy in a unit operated or assisted by the public housing agency at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated;
- ``(B) provide any necessary counseling for families displaced by such action;
- ``(C) ensure that, if the project (or portion) converted is used as housing after such conversion, each resident may choose to remain in their dwelling unit in the project and use the tenant-based assistance toward rent for that unit; and
- ``(D) provide any actual and reasonable relocation expenses for families displaced by the conversion; and
- ``(5) provide that any proceeds to the agency from the conversion will be used subject to the limitations that are applicable under section 18(a) (5) to proceeds resulting from the disposition or demolition of public housing.

``(e) Review and Approval of Conversion Plans.--The Secretary shall disapprove a conversion plan only if--

- ``(1) the plan is plainly inconsistent with the conversion assessment for the agency developed under subsection (b);
- ``(2) there is reliable information and data available to the Secretary that contradicts that conversion assessment; or
- ``(3) the plan otherwise fails to meet the requirements of this section.

``(f) Tenant-Based Assistance.--To the extent approved by the Secretary, the funds used by the public housing agency to provide tenant-based assistance under section 8 shall be added to the annual contribution contract administered by the public housing agency.''.
(b) Savings <<NOTE: 42 USC 1437t note.>> Provision.--The amendment made by subsection (a) shall not affect any contract or other agreement entered into under section 22 of the United States Housing Act of 1937, as

[[Page 112 STAT. 2579]]

such section existed immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998.